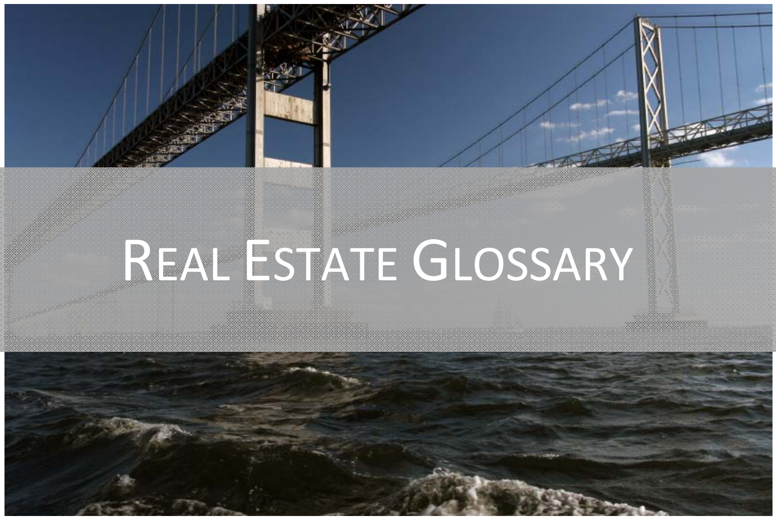
COLDWELL BANKER RESIDENTIAL BROKERAGE



REAL ESTATE GLOSSARY

Coldwell Banker Residential Brokerage | Charles Kraus Real Estate

Real Estate Glossary

A

acceleration clause
A provision in a mortgage that gives the lender the right to demand payment of the entire principal balance if a monthly payment is missed.

acceptance
An offeree's consent to enter into a contract and be bound by the terms of the offer.

additional principal payment
A payment by a borrower of more than the scheduled principal amount due in order to reduce the remaining balance on the loan.

adjustable-rate mortgage (ARM)
A mortgage that permits the lender to adjust its interest rate periodically on the basis of changes in a specified index.

adjusted basis
The original cost of a property plus the value of any capital expenditures for improvements to the property minus any depreciation taken.

adjustment date
The date on which the interest rate changes for an adjustable-rate mortgage (ARM).

adjustment period
The period that elapses between the adjustment dates for an adjustable-rate mortgage (ARM).

administrator
A person appointed by a probate court to administer the estate of a person who died intestate.

affordability analysis
A detailed analysis of your ability to afford the purchase of a home. An affordability analysis takes into consideration your income, liabilities, and available funds, along with the type of mortgage you plan to use, the area where you want to purchase a home, and the closing costs that you might expect to pay.

amenity
A feature of real property that enhances its attractiveness and increases the occupant's or user's satisfaction although the feature is not essential to the property's use. Natural amenities include a pleasant or desirable location near water, scenic views of the surrounding area, etc. Human-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

amortization
The gradual repayment of a mortgage loan by installments.

amortization schedule
A timetable for payment of a mortgage loan. An amortization schedule shows the amount of each payment applied to interest and principal and shows the remaining balance after each payment is made.

amortization term
The amount of time required to amortize the mortgage loan. The amortization term is expressed as a number of months. For example, for a 30-year fixed-rate mortgage, the amortization term is 360 months.

amortize
To repay a mortgage with regular payments that cover both principal and interest.

annual mortgagor statement
A report sent to the mortgagor each year. The report shows how much was paid in taxes and interest during the year, as well as the remaining mortgage loan balance at the end of the year.

annual percentage rate (APR)
The cost of a mortgage stated as a yearly rate; includes such items as interest, mortgage insurance, and loan origination fee (points).

annuity
An amount paid yearly or at other regular intervals, often on a guaranteed dollar basis.

application
A form used to apply for a mortgage loan and to record pertinent information concerning a prospective mortgagor and the proposed security.

appraisal
A written analysis of the estimated value of a property prepared by a qualified appraiser. Contrast with home inspection.

appraised value
An opinion of a property's fair market value, based on an appraiser's knowledge, experience, and analysis of the property.

appraiser
A person qualified by education, training, and experience to estimate the value of real property and personal property.

appreciation
An increase in the value of a property due to changes in market conditions or other causes. The opposite of depreciation.

assessed value
The valuation placed on property by a public tax assessor for purposes of taxation.

assessment
The process of placing a value on property for the strict purpose of taxation. May also refer to a levy against property for a special purpose, such as a sewer assessment.

assessment rolls
The public record of taxable property.

assessor
A public official who establishes the value of a property for taxation purposes.

asset
Anything of monetary value that is owned by a person. Assets include real property, personal property, and enforceable claims against others (including bank accounts, stocks, mutual funds, and so on).

assignment
The transfer of a mortgage from one person to another.

assumable mortgage
A mortgage that can be taken over ("assumed") by the buyer when a home is sold.

assumption
The transfer of the seller’s existing mortgage to the buyer. See assumable mortgage.

assumption clause
A provision in an assumable mortgage that allows a buyer to assume responsibility for the mortgage from the seller. The loan does not need to be paid in full by the original borrower upon sale or transfer of the property.

assumption fee
The fee paid to a lender (usually by the purchaser of real property) resulting from the assumption of an existing mortgage.

attorney-in-fact
One who holds a power of attorney from another to execute documents on behalf of the grantor of the power.

B

balance sheet
A financial statement that shows assets, liabilities, and net worth as of a specific date.

balloon mortgage
A mortgage that has level monthly payments that will amortize it over a stated term but that provides for a lump sum payment to be due at the end of an earlier specified term.

balloon payment
The final lump sum payment that is made at the maturity date of a balloon mortgage.

bankrupt
A person, firm, or corporation that, through a court proceeding, is relieved from the payment of all debts after the surrender of all assets to a court-appointed trustee.

bankruptcy
A proceeding in a federal court in which a debtor who owes more than his or her assets can relieve the debts by transferring his or her assets to a trustee.

before-tax income
Income before taxes are deducted.

beneficiary
The person designated to receive the income from a trust, estate, or a deed of trust.

bequeath
To transfer personal property through a will.

betterment
An improvement that increases property value as distinguished from repairs or replacements that simply maintain value.

bill of sale
A written document that transfers title to personal property.

binder
A preliminary agreement, secured by the payment of an earnest money deposit, under which a buyer offers to purchase real estate.

biweekly payment mortgage
A mortgage that requires payments to reduce the debt every two weeks (instead of the standard monthly payment schedule). The 26 (or possibly 27) biweekly payments are each equal to one-half of the monthly payment that would be required if the loan were a standard 30-year fixed-rate mortgage, and they are usually drafted from the borrower's bank account. The result for the borrower is a substantial savings in interest.

blanket insurance policy
A single policy that covers more than one piece of property (or more than one person).

blanket mortgage
The mortgage that is secured by a cooperative project, as opposed to the share loans on individual units within the project.

bona fide
In good faith, without fraud.

bond
An interest-bearing certificate of debt with a maturity date. An obligation of a government or business corporation. A real estate bond is a written obligation usually secured by a mortgage or a deed of trust.

breach
A violation of any legal obligation.

bridge loan
A form of second trust that is collateralized by the borrower's present home (which is usually for sale) in a manner that allows the proceeds to be used for closing on a new house before the present home is sold. Also known as "swing loan."

broker
A person who, for a commission or a fee, brings parties together and assists in negotiating contracts between them. See mortgage broker.

budget
A detailed plan of income and expenses expected over a certain period of time. A budget can provide guidelines for managing future investments and expenses.

budget category
A category of income or expense data that you can use in a budget. You can also define your own budget categories and add them to some or all of the budgets you create. "Rent" is an example of an expense category. "Salary" is a typical income category.

building code
Local regulations that control design, construction, and materials used in construction. Building codes are based on safety and health standards.

buydown account
An account in which funds are held so that they can be applied as part of the monthly mortgage payment as each payment comes due during the period that an interest rate buydown plan is in effect.

buydown mortgage
A temporary buydown is a mortgage on which an initial lump sum payment is made by any party to reduce a borrower’s monthly payments during the first few years of a mortgage. A permanent buydown reduces the interest rate over the entire life of a mortgage.

C

call option
A provision in the mortgage that gives the mortgagee the right to call the mortgage due and payable at the end of a specified period for whatever reason.

cap
A provision of an adjustable-rate mortgage (ARM) that limits how much the interest rate or mortgage payments may increase or decrease. See lifetime payment cap, periodic payment cap, and periodic rate cap.

capital
(1) Money used to create income, either as an investment in a business or an income property. (2) The money or property comprising the wealth owned or used by a person or business enterprise. (3) The accumulated wealth of a person or business. (4) The net worth of a business represented by the amount by which its assets exceed liabilities.

capital expenditure
The cost of an improvement made to extend the useful life of a property or to add to its value.

capital improvement
Any structure or component erected as a permanent improvement to real property that adds to its value and useful life.

cash-out refinance
A refinance transaction in which the amount of money received from the new loan exceeds the total of the money needed to repay the existing first mortgage, closing costs, points, and the amount required to satisfy any outstanding subordinate mortgage liens. In other words, a refinance transaction in which the borrower receives additional cash that can be used for any purpose.

certificate of deposit
A document written by a bank or other financial institution that is evidence of a deposit, with the issuer's promise to return the deposit plus earnings at a specified interest rate within a specified time period.

certificate of deposit index
An index that is used to determine interest rate changes for certain ARM plans. It represents the weekly average of secondary market interest rates on six-month negotiable certificates of deposit. See adjustable-rate mortgage (ARM).

Certificate of Eligibility
A document issued by the federal government certifying a veteran's eligibility for a Department of Veterans Affairs (VA) mortgage.

Certificate of Reasonable Value (CRV)
A document issued by the Department of Veterans Affairs (VA) that establishes the maximum value and loan amount for a VA mortgage.

certificate of title
A statement provided by an abstract company, title company, or attorney stating that the title to real estate is legally held by the current owner.

chain of title
The history of all of the documents that transfer title to a parcel of real property, starting with the earliest existing document and ending with the most recent.

change frequency
The frequency (in months) of payment and/or interest rate changes in an adjustable-rate mortgage (ARM).

chattel
Another name for personal property.

clear title
A title that is free of liens or legal questions as to ownership of the property.

closing
A meeting at which a sale of a property is finalized by the buyer signing the mortgage documents and paying closing costs. Also called "settlement."

closing cost item
A fee or amount that a home buyer must pay at closing for a single service, tax, or product. Closing costs are made up of individual closing cost items such as origination fees and attorney's fees. Many closing cost items are included as numbered items on the HUD-1 statement.

closing costs
Expenses (over and above the price of the property) incurred by buyers and sellers in transferring ownership of a property. Closing costs normally include an origination fee, an attorney's fee, taxes, an amount placed in escrow, and charges for obtaining title insurance and a survey. Closing costs percentage will vary according to the area of the country; lenders or realtors® often provide estimates of closing costs to prospective homebuyers.

closing statement
See HUD-1 statement.

cloud on title
Any conditions revealed by a title search that adversely affect the title to real estate. Usually clouds on title cannot be removed except by a quitclaim deed, release, or court action.

coinsurance
A sharing of insurance risk between the insurer and the insured. Coinsurance depends on the relationship between the amount of the policy and a specified percentage of the actual value of the property insured at the time of the loss.

coinsurance clause
A provision in a hazard insurance policy that states the amount of coverage that must be maintained -- as a percentage of the total value of the property -- for the insured to collect the full amount of a loss.

collateral
An asset (such as a car or a home) that guarantees the repayment of a loan. The borrower risks losing the asset if the loan is not repaid according to the terms of the loan contract.

collection
The efforts used to bring a delinquent mortgage current and to file the necessary notices to proceed with foreclosure when necessary.

co-maker
A person who signs a promissory note along with the borrower. A co-maker's signature guarantees that the loan will be repaid, because the borrower and the co-maker are equally responsible for the repayment. See endorser.

commission
The fee charged by a broker or agent for negotiating a real estate or loan transaction. A commission is generally a percentage of the price of the property or loan.

commitment letter
A formal offer by a lender stating the terms under which it agrees to lend money to a home buyer. Also known as a "loan commitment."

common area assessments
Levies against individual unit owners in a condominium or planned unit development (PUD) project for additional capital to defray homeowners' association costs and expenses and to repair, replace, maintain, improve, or operate the common areas of the project.

common areas
Those portions of a building, land, and amenities owned (or managed) by a planned unit development (PUD) or condominium project's homeowners' association (or a cooperative project's cooperative corporation) that are used by all of the unit owners, who share in the common expenses of their operation and maintenance. Common areas

include swimming pools, tennis courts, and other recreational facilities, as well as common corridors of buildings, parking areas, means of ingress and egress, etc.

common law
An unwritten body of law based on general custom in England and used to an extent in the United States.

Community Home Improvement Mortgage Loan®
An alternative financing option that allows low- and moderate-income home buyers to obtain 95 percent financing for the purchase and improvement of a home in need of modest repairs. The repair work can account for as much as 30 percent of the appraised value.

Community Land Trust Mortgage Loan
An alternative financing option that enables low- and moderate-income home buyers to purchase housing that has been improved by a nonprofit Community Land Trust and to lease the land on which the property stands.

community property
In some western and southwestern states, a form of ownership under which property acquired during a marriage is presumed to be owned jointly unless acquired as separate property of either spouse.

Community Seconds®
An alternative financing option for low- and moderate-income households under which an investor purchases a first mortgage that has a subsidized second mortgage behind it. The second mortgage may be issued by a state, county, or local housing agency, foundation, or nonprofit organization. Payment on the second mortgage is often deferred and carries a very low interest rate (or no interest rate at all). Part of the debt may be forgiven incrementally for each year the buyer remains in the home.

comparables
An abbreviation for "comparable properties"; used for comparative purposes in the appraisal process. Comparables are properties like the property under consideration; they have reasonably the same size, location, and amenities and have recently been sold. Comparables help the appraiser determine the approximate fair market value of the subject property.

compound interest
Interest paid on the original principal balance and on the accrued and unpaid interest.

condemnation
The determination that a building is not fit for use or is dangerous and must be destroyed; the taking of private property for a public purpose through an exercise of the right of eminent domain.

condominium
A real estate project in which each unit owner has title to a unit in a building, an undivided interest in the common areas of the project, and sometimes the exclusive use of certain limited common areas.

condominium conversion
Changing the ownership of an existing building (usually a rental project) to the condominium form of ownership.

condominium hotel
A condominium project that has rental or registration desks, short-term occupancy, food and telephone services, and daily cleaning services and that is operated as a commercial hotel even though the units are individually owned.

construction loan
A short-term, interim loan for financing the cost of construction. The lender makes payments to the builder at periodic intervals as the work progresses.

consumer reporting agency (or bureau)
An organization that prepares reports that are used by lenders to determine a potential borrower's credit history. The agency obtains data for these reports from a credit repository as well as from other sources.

contingency
A condition that must be met before a contract is legally binding. For example, home purchasers often include a contingency that specifies that the contract is not binding until the purchaser obtains a satisfactory home inspection report from a qualified home inspector.

contract
An oral or written agreement to do or not to do a certain thing.

conventional mortgage
A mortgage that is not insured or guaranteed by the federal government. Contrast with government mortgage.

convertibility clause
A provision in some adjustable-rate mortgages (ARMs) that allows the borrower to change the ARM to a fixed-rate mortgage at specified timeframes after loan origination.

convertible ARM
An adjustable-rate mortgage (ARM) that can be converted to a fixed-rate mortgage under specified conditions.

cooperative (co-op)
A type of multiple ownership in which the residents of a multiunit housing complex own shares in the cooperative corporation that owns the property, giving each resident the right to occupy a specific apartment or unit.

cooperative corporation
A business trust entity that holds title to a cooperative project and grants occupancy rights to particular apartments or units to shareholders through proprietary leases or similar arrangements.

cooperative mortgages
Mortgages related to a cooperative project. This usually refers to the multifamily mortgage covering the entire project but occasionally describes the share loans on the individual units.

cooperative project
A residential or mixed-use building wherein a corporation or trust holds title to the property and sells shares of stock representing the value of a single apartment unit to individuals who, in turn, receive a proprietary lease as evidence of title.

corporate relocation
Arrangements under which an employer moves an employee to another area as part of the employer's normal course of business or under which it transfers a substantial part or all of its operations and employees to another area because it is relocating its headquarters or expanding its office capacity.

cost of funds index (COFI)
An index that is used to determine interest rate changes for certain adjustable-rate mortgage (ARM) plans. It represents the weighted-average cost of savings, borrowings, and advances of the 11th District members of the Federal Home Loan Bank of San Francisco. See adjustable-rate mortgage (ARM).

covenant
A clause in a mortgage that obligates or restricts the borrower and that, if violated, can result in foreclosure.

credit
An agreement in which a borrower receives something of value in exchange for a promise to repay the lender at a later date.

credit history
A record of an individual's open and fully repaid debts. A credit history helps a lender to determine whether a potential borrower has a history of repaying debts in a timely manner.

credit life insurance
A type of insurance often bought by mortgagors because it will pay off the mortgage debt if the mortgagor dies while the policy is in force.

creditor
A person to whom money is owed.

credit report
A report of an individual's credit history prepared by a credit bureau and used by a lender in determining a loan applicant's creditworthiness. See merged credit report.

credit repository
An organization that gathers, records, updates, and stores financial and public records information about the payment records of individuals who are being considered for credit.

D

debt
An amount owed to another. See installment loan and revolving liability.

deed
The legal document conveying title to a property.

deed-in-lieu
A deed given by a mortgagor to the mortgagee to satisfy a debt and avoid foreclosure. Also called a "voluntary conveyance."

deed of trust
The document used in some states instead of a mortgage; title is conveyed to a trustee.

default
Failure to make mortgage payments on a timely basis or to comply with other requirements of a mortgage.

delinquency
Failure to make mortgage payments when mortgage payments are due.

deposit
A sum of money given to bind the sale of real estate, or a sum of money given to ensure payment or an advance of funds in the processing of a loan. See earnest money deposit.

depreciation
A decline in the value of property; the opposite of appreciation.

discount points
See point.

dower
The rights of a widow in the property of her husband at his death.

down payment
The part of the purchase price of a property that the buyer pays in cash and does not finance with a mortgage.

due-on-sale provision
A provision in a mortgage that allows the lender to demand repayment in full if the borrower sells the property that serves as security for the mortgage.

due-on-transfer provision
This terminology is usually used for second mortgages. See due-on-sale provision.

E.

earnest money deposit
A deposit made by the potential home buyer to show that he or she is serious about buying the house.

easement
A right of way giving persons other than the owner access to or over a property.

effective age
An appraiser's estimate of the physical condition of a building. The actual age of a building may be shorter or longer than its effective age.

effective gross income
Normal annual income including overtime that is regular or guaranteed. The income may be from more than one source. Salary is generally the principal source, but other income may qualify if it is significant and stable.

eminent domain
The right of a government to take private property for public use upon payment of its fair market value. Eminent domain is the basis for condemnation proceedings.

Employer-assisted housing
A special Fannie Mae housing initiative that offers several different ways for employers to work with local lenders to develop plans to assist their employees in purchasing homes.

encroachment
An improvement that intrudes illegally on another's property.

encumbrance
Anything that affects or limits the fee simple title to a property, such as mortgages, leases, easements, or restrictions.

endorser
A person who signs ownership interest over to another party. Contrast with co-maker.

Equal Credit Opportunity Act (ECOA)
A federal law that requires lenders and other creditors to make credit equally available without discrimination based on race, color, religion, national origin, age, sex, marital status, or receipt of income from public assistance programs.

equity
A homeowner's financial interest in a property. Equity is the difference between the fair market value of the property and the amount still owed on its mortgage.

escrow
An item of value, money, or documents deposited with a third party to be delivered upon the fulfillment of a condition. For example, the deposit by a borrower with the lender of funds to pay taxes and insurance premiums when they become due, or the deposit of funds or documents with an attorney or escrow agent to be disbursed upon the closing of a sale of real estate.

escrow account
The account in which a mortgage servicer holds the borrower's escrow payments prior to paying property expenses.

escrow analysis
The periodic examination of escrow accounts to determine if current monthly deposits will provide sufficient funds to pay taxes, insurance, and other bills when due.

escrow collections
Funds collected by the servicer and set aside in an escrow account to pay the borrower’s property taxes, mortgage insurance, and hazard insurance.

escrow disbursements
The use of escrow funds to pay real estate taxes, hazard insurance, mortgage insurance, and other property expenses as they become due.

escrow payment
The portion of a mortgagor’s monthly payment that is held by the servicer to pay for taxes, hazard insurance, mortgage insurance, lease payments, and other items as they become due. Known as "impounds" or "reserves" in some states.

estate
The ownership interest of an individual in real property. The sum total of all the real property and personal property owned by an individual at time of death.

eviction
The lawful expulsion of an occupant from real property.

examination of title
The report on the title of a property from the public records or an abstract of the title.

exclusive listing
A written contract that gives a licensed real estate agent the exclusive right to sell a property for a specified time, but reserving the owner’s right to sell the property alone without the payment of a commission.

executor
A person named in a will to administer an estate. The court will appoint an administrator if no executor is named. "Executrix" is the feminine form.

F

Fair Credit Reporting Act
A consumer protection law that regulates the disclosure of consumer credit reports by consumer/credit reporting agencies and establishes procedures for correcting mistakes on one's credit record.

fair market value
The highest price that a buyer, willing but not compelled to buy, would pay, and the lowest a seller, willing but not compelled to sell, would accept.

Fannie Mae
Fannie Mae is a New York Stock Exchange company and the largest non-bank financial services company in the world. It operates pursuant to a federal charter and is the nation's largest source of financing for home mortgages. Over the past 30 years, Fannie Mae has provided nearly $2.5 trillion of mortgage financing for over 30 million families.

Fannie Mae's Community Home Buyer's Program$_{SM}$
An income-based community lending model, under which mortgage insurers and Fannie Mae offer flexible underwriting guidelines to increase a low- or moderate-income family's buying power and to decrease the total amount of cash needed to purchase a home. Borrowers who participate in this model are required to attend pre-purchase home-buyer education sessions.

Fannie 97®
A financing option for a fixed-rate mortgage that offers home buyers a 3 percent down payment loan with either a 25- or 30-year term. The mortgage features a loan-to-value (LTV) percentage of 97 percent, and is designed to expand homeownership opportunities for people with modest incomes. Borrowers must take a pre-purchase home-buyer education session to qualify for a Fannie 97 mortgage.

Federal Housing Administration (FHA)
An agency of the U.S. Department of Housing and Urban Development (HUD). Its main activity is the insuring of residential mortgage loans made by private lenders. The FHA sets standards for construction and underwriting but does not lend money or plan or construct housing.

fee simple
The greatest possible interest a person can have in real estate.

fee simple estate
An unconditional, unlimited estate of inheritance that represents the greatest estate and most extensive interest in land that can be enjoyed. It is of perpetual duration. When the real estate is in a condominium project, the unit owner is the exclusive owner only of the air space within his or her portion of the building (the unit) and is an owner in common with respect to the land and other common portions of the property.

FHA coinsured mortgage
A mortgage (under FHA Section 244) for which the Federal Housing Administration (FHA) and the originating lender share the risk of loss in the event of the mortgagor's default.

FHA mortgage
A mortgage that is insured by the Federal Housing Administration (FHA). Also known as a government mortgage.

finder's fee
A fee or commission paid to a mortgage broker for finding a mortgage loan for a prospective borrower.

firm commitment
A lender’s agreement to make a loan to a specific borrower on a specific property.

first mortgage
A mortgage that is the primary lien against a property.

fixed installment
The monthly payment due on a mortgage loan. The fixed installment includes payment of both principal and interest.

fixed-rate mortgage (FRM)
A mortgage in which the interest rate does not change during the entire term of the loan.

fixture
Personal property that becomes real property when attached in a permanent manner to real estate.

flood insurance
Insurance that compensates for physical property damage resulting from flooding. It is required for properties located in federally designated flood areas.

foreclosure
The legal process by which a borrower in default under a mortgage is deprived of his or her interest in the mortgaged property. This usually involves a forced sale of the property at public auction with the proceeds of the sale being applied to the mrotgage debt.

forfeiture
The loss of money, property, rights, or privileges due to a breach of legal obligation.

401(k) / 403(b)
An employer-sponsored investment plan that allows individuals to set aside tax-deferred income for retirement or emergency purposes. 401(k) plans are provided by employers that are private corporations. 403(b) plans are provided by employers that are not for profit organizations.

401(k) / 403(b) loan
Some administrators of 401(k)/403(b) plans allow for loans against the monies you have accumulated in these plans -- monies must be repaid to avoid serious penalty charges.

fully amortized ARM
An adjustable-rate mortgage (ARM) with a monthly payment that is sufficient to amortize the remaining balance, at the interest accrual rate, over the amortization term.

G

government mortgage
A mortgage that is insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA) or the Rural Housing Service (RHS). Contrast with conventional mortgage.

Government National Mortgage Association
A government-owned corporation within the U.S. Department of Housing and Urban Development (HUD). Created by Congress on September 1, 1968, GNMA assumed responsibility for the special assistance loan program formerly administered by Fannie Mae. Popularly known as Ginnie Mae.

grantee
The person to whom an interest in real property is conveyed.

grantor
The person conveying an interest in real property.

ground rent
The amount of money that is paid for the use of land when title to a property is held as a leasehold estate rather than as a fee simple estate.

group home
A single-family residential structure designed or adapted for occupancy by unrelated developmentally disabled persons. The structure provides long-term housing and support services that are residential in nature.

growing-equity mortgage (GEM)
A fixed-rate mortgage that provides scheduled payment increases over an established period of time, with the increased amount of the monthly payment applied directly toward reducing the remaining balance of the mortgage.

guarantee mortgage
A mortgage that is guaranteed by a third party.

guaranteed loan
Also known as a government mortgage.

H

hazard insurance
Insurance coverage that compensates for physical damage to a property from fire, wind, vandalism, or other hazards.

Home Equity Conversion Mortgage (HECM)
A special type of mortgage that enables older home owners to convert the equity they have in their homes into cash,

using a variety of payment options to address their specific financial needs. Unlike traditional home equity loans, a borrower does not qualify on the basis of income but on the value of his or her home. In addition, the loan does not have to be repaid until the borrower no longer occupies the property. Sometimes called a reverse mortgage.

home equity line of credit
A mortgage loan, which is usually in a subordinate position, that allows the borrower to obtain multiple advances of the loan proceeds at his or her own discretion, up to an amount that represents a specified percentage of the borrower's equity in a property.

home inspection
A thorough inspection that evaluates the structural and mechanical condition of a property. A satisfactory home inspection is often included as a contingency by the purchaser. Contrast with appraisal.

HomeKeeper$_{SM}$
Fannie Mae's adjustable-rate conventional reverse mortgage, which allows older homeowners to borrow against the value of their homes and receive the proceeds according to the payment option they select. The amount available is based on the number of borrowers and their ages and the adjusted property value. Anyone 62 years or older who either owns his or her own home free and clear or has very low mortgage debt is eligible.

homeowners' association
A nonprofit association that manages the common areas of a planned unit development (PUD) or condominium project. In a condominium project, it has no ownership interest in the common elements. In a PUD project, it holds title to the common elements.

homeowner's insurance
An insurance policy that combines personal liability insurance and hazard insurance coverage for a dwelling and its contents.

homeowner's warranty (HOW)
A type of insurance that covers repairs to specified parts of a house for a specific period of time. It is provided by the builder or property seller as a condition of the sale.

HomeStyle® Mortgage Loan
A mortgage that enables eligible borrowers to obtain financing to remodel, repair, and upgrade their existing homes or homes that they are purchasing. The financing takes the form of a conventional second mortgage or a Federal Housing Administration (FHA) Section 203(k) first mortgage.

housing expense ratio
The percentage of gross monthly income that goes toward paying housing expenses.

HUD median income
Median family income for a particular county or metropolitan statistical area (MSA), as estimated by the Department of Housing and Urban Development (HUD).

HUD-1 statement
A document that provides an itemized listing of the funds that are payable at closing. Items that appear on the statement include real estate commissions, loan fees, points, and initial escrow amounts. Each item on the statement is represented by a separate number within a standardized numbering system. The totals at the bottom of the HUD-1 statement define the seller's net proceeds and the buyer's net payment at closing. The blank form for the statement is published by the Department of Housing and Urban Development (HUD). The HUD-1 statement is also known as the "closing statement" or "settlement sheet."

I

income property
Real estate developed or improved to produce income.

index
A number used to compute the interest rate for an adjustable-rate mortgage (ARM). The index is generally a published number or percentage, such as the average interest rate or yield on Treasury bills. A margin is added to the index to determine the interest rate that will be charged on the ARM.. This interest rate is subject to any caps that are associated with the mortgage.

in-file credit report
An objective account, normally computer-generated, of credit and legal information obtained from a credit repository.

inflation
An increase in the amount of money or credit available in relation to the amount of goods or services available, which causes an increase in the general price level of goods and services. Over time, inflation reduces the purchasing power of a dollar, making it worth less.

initial interest rate
The original interest rate of the mortgage at the time of closing. This rate changes for an adjustable-rate mortgage (ARM). Sometimes known as "start rate" or "teaser."

installment
The regular periodic payment that a borrower agrees to make to a lender.

installment loan
Borrowed money that is repaid in equal payments, known as installments. A furniture loan is often paid for as an installment loan.

insurable title
A property title that a title insurance company agrees to insure against defects and disputes.

insurance
A contract that provides compensation for specific losses in exchange for a periodic payment. An individual contract is known as an insurance policy, and the periodic payment is known as an insurance premium.

insurance binder
A document that states that insurance is temporarily in effect. Because the coverage will expire by a specified date, a permanent policy must be obtained before the expiration date.

insured mortgage
A mortgage that is protected by the Federal Housing Administration (FHA) or by private mortgage insurance (MI). If the borrower defaults on the loan, the insurer must pay the lender the lesser of the loss incurred or the insured amount.

interest
The fee charged for borrowing money.

interest accrual rate
The percentage rate at which interest accrues on the mortgage. In most cases, it is also the rate used to calculate the monthly payments, although it is not used for an adjustable-rate mortgage (ARM) with payment change limitations.

interest rate
The rate of interest in effect for the monthly payment due.

interest rate buydown plan
An arrangement wherein the property seller (or any other party) deposits money to an account so that it can be released each month to reduce the mortgagor's monthly payments during the early years of a mortgage. During the specified period, the mortgagor's effective interest rate is "bought down" below the actual interest rate.

interest rate ceiling
For an adjustable-rate mortgage (ARM), the maximum interest rate, as specified in the mortgage note.

interest rate floor
For an adjustable-rate mortgage (ARM), the minimum interest rate, as specified in the mortgage note.

investment property
A property that is not occupied by the owner.

IRA (Individual Retirement Account)
A retirement account that allows individuals to make tax-deferred contributions to a personal retirement fund. Individuals can place IRA funds in bank accounts or in other forms of investment such as stocks, bonds, or mutual funds.

J

joint tenancy
A form of co-ownership that gives each tenant equal interest and equal rights in the property, including the right of survivorship.

judgment
A decision made by a court of law. In judgments that require the repayment of a debt, the court may place a lien against the debtor's real property as collateral for the judgment's creditor.

judgment lien
A lien on the property of a debtor resulting from the decree of a court.

judicial foreclosure
A type of foreclosure proceeding used in some states that is handled as a civil lawsuit and conducted entirely under the auspices of a court.

jumbo loan
A loan that exceeds Fannie Mae's legislated mortgage amount limits. Also called a nonconforming loan.

K

No Glossary Terms

L

late charge
The penalty a borrower must pay when a payment is made a stated number of days (usually 15) after the due date.

lease
A written agreement between the property owner and a tenant that stipulates the conditions under which the tenant may possess the real estate for a specified period of time and rent.

leasehold estate
A way of holding title to a property wherein the mortgagor does not actually own the property but rather has a recorded long-term lease on it.

lease-purchase mortgage loan
An alternative financing option that allows low- and moderate-income home buyers to lease a home from a nonprofit organization with an option to buy. Each month's rent payment consists of principal, interest, taxes and insurance (PITI) payments on the first mortgage plus an extra amount that is earmarked for deposit to a savings account in which money for a downpayment will accumulate.

legal description
A property description, recognized by law, that is sufficient to locate and identify the property without oral testimony.

liabilities
A person's financial obligations. Liabilities include long-term and short-term debt, as well as any other amounts that are owed to others.

liability insurance
Insurance coverage that offers protection against claims alleging that a property owner's negligence or inappropriate action resulted in bodily injury or property damage to another party.

lien
A legal claim against a property that must be paid off when the property is sold.

lifetime payment cap
For an adjustable-rate mortgage (ARM), a limit on the amount that payments can increase or decrease over the life of the mortgage. See cap.

lifetime rate cap
For an adjustable-rate mortgage (ARM), a limit on the amount that the interest rate can increase or decrease over the life of the loan. See cap.

line of credit
An agreement by a commercial bank or other financial institution to extend credit up to a certain amount for a certain time to a specified borrower. See home equity line of credit.

liquid asset
A cash asset or an asset that is easily converted into cash.

loan
A sum of borrowed money (principal) that is generally repaid with interest.

loan commitment
See commitment letter.

loan origination
The process by which a mortgage lender brings into existence a mortgage secured by real property.

loan-to-value (LTV) percentage
The relationship between the principal balance of the mortgage and the appraised value (or sales price if it is lower) of the property. For example, a $100,000 home with an $80,000 mortgage has a LTV percentage of 80 percent.

lock-in
A written agreement in which the lender guarantees a specified interest rate if a mortgage goes to closing within a set period of time. The lock-in also usually specifies the number of points to be paid at closing.

lock-in period
The time period during which the lender has guaranteed an interest rate to a borrower. See lock-in.

M

margin
For an adjustable-rate mortgage (ARM), the amount that is added to the index to establish the interest rate on each adjustment date, subject to any limitations on the interest rate change.

master association
A homeowners' association in a large condominium or planned unit development (PUD) project that is made up of representatives from associations covering specific areas within the project. In effect, it is a "second-level" association that handles matters affecting the entire development, while the "first-level" associations handle matters affecting their particular portions of the project.

maturity
The date on which the principal balance of a loan, bond, or other financial instrument becomes due and payable.

maximum financing
A mortgage amount that is within 5 percent of the highest loan-to-value (LTV) percentage allowed for a specific product. Thus, maximum financing on a fixed-rate mortgage would be 90 percent or higher, because 95 percent is the maximum allowable LTV percentage for that product.

merged credit report
A credit report that contains information from three credit repositories. When the report is created, the information is compared for duplicate entries. Any duplicates are combined to provide a summary of a your credit.

modification
The act of changing any of the terms of the mortgage.

money market account
A savings account that provides bank depositors with many of the advantages of a money market fund. Certain regulatory restrictions apply to the withdrawal of funds from a money market account.

money market fund
A mutual fund that allows individuals to participate in managed investments in short-term debt securities, such as certificates of deposit and Treasury bills.

monthly fixed installment
That portion of the total monthly payment that is applied toward principal and interest. When a mortgage negatively amortizes, the monthly fixed installment does not include any amount for principal reduction.

monthly payment mortgage
A mortgage that requires payments to reduce the debt once a month.

mortgage
A legal document that pledges a property to the lender as security for payment of a debt.

mortgage banker
A company that originates mortgages exclusively for resale in the secondary mortgage market.

mortgage broker
An individual or company that brings borrowers and lenders together for the purpose of loan origination. Mortgage brokers typically require a fee or a commission for their services.

mortgagee
The lender in a mortgage agreement.

mortgage insurance
A contract that insures the lender against loss caused by a mortgagor's default on a government mortgage or conventional mortgage. Mortgage insurance can be issued by a private company or by a government agency such as the Federal Housing Administration (FHA). Depending on the type of mortgage insurance, the insurance may cover a percentage of or virtually all of the mortgage loan. See private mortgage insurance (MI).

mortgage insurance premium (MIP)
The amount paid by a mortgagor for mortgage insurance, either to a government agency such as the Federal Housing Administration (FHA) or to a private mortgage insurance (MI) company.

mortgage life insurance
A type of term life insurance often bought by mortgagors. The amount of coverage decreases as the principal balance declines. In the event that the borrower dies while the policy is in force, the debt is automatically satisfied by insurance proceeds.

mortgagor
The borrower in a mortgage agreement.

multidwelling units
Properties that provide separate housing units for more than one family, although they secure only a single mortgage.

multifamily mortgage
A residential mortgage on a dwelling that is designed to house more than four families, such as a high-rise apartment complex.

N

negative amortization
A gradual increase in mortgage debt that occurs when the monthly payment is not large enough to cover the entire principal and interest due. The amount of the shortfall is added to the remaining balance to create "negative" amortization.

net cash flow
The income that remains for an investment property after the monthly operating income is reduced by the monthly housing expense, which includes principal, interest, taxes, and insurance (PITI) for the mortgage, homeowners' association dues, leasehold payments, and subordinate financing payments.

net worth
The value of all of a person's assets, including cash, minus all liabilities.

no cash-out refinance
A refinance transaction in which the new mortgage amount is limited to the sum of the remaining balance of the existing first mortgage, closing costs (including prepaid items), points, the amount required to satisfy any mortgage liens that are more than one year old (if the borrower chooses to satisfy them), and other funds for the borrower's use (as long as the amount does not exceed 1 percent of the principal amount of the new mortgage).

nonliquid asset
An asset that cannot easily be converted into cash.

note
A legal document that obligates a borrower to repay a mortgage loan at a stated interest rate during a specified period of time.

note rate
The interest rate stated on a mortgage note.

notice of default
A formal written notice to a borrower that a default has occurred and that legal action may be taken.

O

original principal balance
The total amount of principal owed on a mortgage before any payments are made.

origination fee
A fee paid to a lender for processing a loan application. The origination fee is stated in the form of points. One point is 1 percent of the mortgage amount.

owner financing
A property purchase transaction in which the property seller provides all or part of the financing.

P

partial payment
A payment that is not sufficient to cover the scheduled monthly payment on a mortgage loan.

payment change date
The date when a new monthly payment amount takes effect on an adjustable-rate mortgage (ARM) or a graduated-payment adjustable-rate mortgage (GPARM). Generally, the payment change date occurs in the month immediately after the adjustment date.

periodic payment cap
For an adjustable-rate mortgage (ARM), a limit on the amount that payments can increase or decrease during any one adjustment period. See cap.

periodic rate cap
For an adjustable-rate mortgage (ARM), a limit on the amount that the interest rate can increase or decrease during any one adjustment period, regardless of how high or low the index might be. See cap.

personal property
Any property that is not real property.

PITI
See principal, interest, taxes, and insurance (PITI).

PITI reserves
A cash amount that a borrower must have on hand after making a down payment and paying all closing costs for the purchase of a home. The principal, interest, taxes, and insurance (PITI) reserves must equal the amount that the borrower would have to pay for PITI for a predefined number of months.

planned unit development
See PUD.

point
A one-time charge by the lender for originating a loan. A point is 1 percent of the amount of the mortgage.

power of attorney
A legal document that authorizes another person to act on one's behalf. A power of attorney can grant complete authority or can be limited to certain acts and/or certain periods of time.

prearranged refinancing agreement
A formal or informal arrangement between a lender and a borrower wherein the lender agrees to offer special terms (such as a reduction in the costs) for a future refinancing of a mortgage being originated as an inducement for the borrower to enter into the original mortgage transaction.

preforeclosure sale
A procedure in which the investor allows a mortgagor to avoid foreclosure by selling the property for less than the amount that is owed to the investor.

prepayment
Any amount paid to reduce the principal balance of a loan before the due date. Payment in full on a mortgage that may result from a sale of the property, the owner's decision to pay off the loan in full, or a foreclosure. In each case, prepayment means payment occurs before the loan has been fully amortized.

prepayment penalty
A fee that may be charged to a borrower who pays off a loan before it is due.

pre-qualification
The process of determining how much money a prospective home buyer will be eligible to borrow before he or she applies for a loan.

prime rate
The interest rate that banks charge to their preferred customers. Changes in the prime rate influence changes in other rates, including mortgage interest rates.

principal
The amount borrowed or remaining unpaid. The part of the monthly payment that reduces the remaining balance of a mortgage.

principal balance
The outstanding balance of principal on a mortgage. The principal balance does not include interest or any other charges. See remaining balance.

principal, interest, taxes, and insurance (PITI)
The four components of a monthly mortgage payment. Principal refers to the part of the monthly payment that reduces the remaining balance of the mortgage. Interest is the fee charged for borrowing money. Taxes and insurance refer to the amounts that are paid into an escrow account each month for property taxes and mortgage and hazard insurance.

private mortgage insurance (MI)
Mortgage insurance that is provided by a private mortgage insurance company to protect lenders against loss if a borrower defaults. Most lenders generally require MI for a loan with a loan-to-value (LTV) percentage in excess of 80 percent.

promissory note
A written promise to repay a specified amount over a specified period of time.

public auction
A meeting in an announced public location to sell property to repay a mortgage that is in default.

PUD - Planned Unit Development
A project or subdivision that includes common property that is owned and maintained by a homeowners' association for the benefit and use of the individual PUD unit owners.

purchase and sale agreement
A written contract signed by the buyer and seller stating the terms and conditions under which a property will be sold.

purchase money transaction
The acquisition of property through the payment of money or its equivalent.

qualifying ratios
Calculations that are used in determining whether a borrower can qualify for a mortgage. They consist of two separate calculations: a housing expense as a percent of income ratio and total debt obligations as a percent of income ratio.

quitclaim deed
A deed that transfers without warranty whatever interest or title a grantor may have at the time the conveyance is made.

R

radon
A radioactive gas found in some homes that in sufficient concentrations can cause health problems.

rate-improvement mortgage
A fixed-rate mortgage that includes a provision that gives the borrower a one-time option to reduce the interest rate (without refinancing) during the early years of the mortgage term.

rate lock
A commitment issued by a lender to a borrower or other mortgage originator guaranteeing a specified interest rate for a specified period of time. See lock-in.

real estate agent
A person licensed to negotiate and transact the sale of real estate on behalf of the property owner.

Real Estate Settlement Procedures Act (RESPA)
A consumer protection law that requires lenders to give borrowers advance notice of closing costs.

real property
Land and appurtenances, including anything of a permanent nature such as structures, trees, minerals, and the interest, benefits, and inherent rights thereof.

Realtor®
A real estate broker or an associate who holds active membership in a local real estate board that is affiliated with the National Association of Realtors®.

recission
The cancellation or annulment of a transaction or contract by the operation of a law or by mutual consent. Borrowers usually have the option to cancel a refinance transaction within three business days after it has closed.

recorder
The public official who keeps records of transactions that affect real property in the area. Sometimes known as a "Registrar of Deeds" or "County Clerk."

recording
The noting in the registrar’s office of the details of a properly executed legal document, such as a deed, a mortgage note, a satisfaction of mortgage, or an extension of mortgage, thereby making it a part of the public record.

refinance transaction
The process of paying off one loan with the proceeds from a new loan using the same property as security.

rehabilitation mortgage
A mortgage created to cover the costs of repairing, improving, and sometimes acquiring an existing property.

remaining balance
The amount of principal that has not yet been repaid. See principal balance.

remaining term
The original amortization term minus the number of payments that have been applied.

rent loss insurance
Insurance that protects a landlord against loss of rent or rental value due to fire or other casualty that renders the leased premises unavailable for use and as a result of which the tenant is excused from paying rent.

rent with option to buy
See lease-purchase mortgage loan.

repayment plan
An arrangement made to repay delinquent installments or advances. Lenders' formal repayment plans are called "relief provisions."

replacement reserve fund
A fund set aside for replacement of common property in a condominium, PUD, or cooperative project -- particularly that which has a short life expectancy, such as carpeting, furniture, etc.

revolving liability
A credit arrangement, such as a credit card, that allows a customer to borrow against a preapproved line of credit when purchasing goods and services. The borrower is billed for the amount that is actually borrowed plus any interest due.

right of first refusal
A provision in an agreement that requires the owner of a property to give another party the first opportunity to purchase or lease the property before he or she offers it for sale or lease to others.

right of ingress or egress
The right to enter or leave designated premises.

right of survivorship
In joint tenancy, the right of survivors to acquire the interest of a deceased joint tenant.

Rural Housing Service (RHS)
An agency within the Department of Agriculture, which operates principally under the Consolidated Farm and Rural Development Act of 1921 and Title V of the Housing Act of 1949. This agency provides financing to farmers and other qualified borrowers buying property in rural areas who are unable to obtain loans elsewhere. Funds are borrowed from the U.S. Treasury.

S

sale-leaseback
A technique in which a seller deeds property to a buyer for a consideration, and the buyer simultaneously leases the property back to the seller.

second mortgage
A mortgage that has a lien position subordinate to the first mortgage.

secondary mortgage market
The buying and selling of existing mortgages.

secured loan
A loan that is backed by collateral.

security
The property that will be pledged as collateral for a loan.

seller take-back
An agreement in which the owner of a property provides financing, often in combination with an assumable mortgage. See owner financing.

servicer
An organization that collects principal and interest payments from borrowers and manages borrowers' escrow accounts. The servicer often services mortgages that have been purchased by an investor in the secondary mortgage market.

servicing
The collection of mortgage payments from borrowers and related responsibilities of a loan servicer.

settlement
See closing.

settlement sheet
See HUD-1 statement.

special deposit account
An account that is established for rehabilitation mortgages to hold the funds needed for the rehabilitation work so they can be disbursed from time to time as particular portions of the work are completed.

standard payment calculation
The method used to determine the monthly payment required to repay the remaining balance of a mortgage in substantially equal installments over the remaining term of the mortgage at the current interest rate.

step-rate mortgage
A mortgage that allows for the interest rate to increase according to a specified schedule (i.e., seven years), resulting in increased payments as well. At the end of the specified period, the rate and payments will remain constant for the remainder of the loan.

subdivision
A housing development that is created by dividing a tract of land into individual lots for sale or lease.

subordinate financing
Any mortgage or other lien that has a priority that is lower than that of the first mortgage.

subsidized second mortgage
An alternative financing option known as the Community Seconds® mortgage for low- and moderate-income households. An investor purchases a first mortgage that has a subsidized second mortgage behind it. The second mortgage may be issued by a state, county, or local housing agency, foundation, or nonprofit corporation. Payment on the second mortgage is often deferred and carries a very low interest rate (or no interest rate). Part of the debt may be forgiven incrementally for each year the buyer remains in the home.

survey
A drawing or map showing the precise legal boundaries of a property, the location of improvements, easements, rights of way, encroachments, and other physical features.

sweat equity
Contribution to the construction or rehabilitation of a property in the form of labor or services rather than cash.

T

tenancy by the entirety
A type of joint tenancy of property that provides right of survivorship and is available only to a husband and wife. Contrast with tenancy in common.

tenancy in common
A type of joint tenancy in a property without right of survivorship. Contrast with tenancy by the entirety and with joint tenacy.

tenant-stockholder
The obligee for a cooperative share loan, who is both a stockholder in a cooperative corporation and a tenant of the unit under a proprietary lease or occupancy agreement.

third-party origination
A process by which a lender uses another party to completely or partially originate, process, underwrite, close, fund, or package the mortgages it plans to deliver to the secondary mortgage market. See mortgage broker.

title
A legal document evidencing a person's right to or ownership of a property.

title company
A company that specializes in examining and insuring titles to real estate.

title insurance
Insurance that protects the lender (lender's policy) or the buyer (owner's policy) against loss arising from disputes over ownership of a property.

title search
A check of the title records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding.

total expense ratio
Total obligations as a percentage of gross monthly income. The total expense ratio includes monthly housing expenses plus other monthly debts.

trade equity
Equity that results from a property purchaser giving his or her existing property (or an asset other than real estate) as trade as all or part of the down payment for the property that is being purchased.

transfer of ownership
Any means by which the ownership of a property changes hands. Lenders consider all of the following situations to be a transfer of ownership: the purchase of a property "subject to" the mortgage, the assumption of the mortgage debt by the property purchaser, and any exchange of possession of the property under a land sales contract or any other land trust device. In cases in which an inter vivos revocable trust is the borrower, lenders also consider any transfer of a beneficial interest in the trust to be a transfer of ownership.

transfer tax
State or local tax payable when title passes from one owner to another.

Treasury index
An index that is used to determine interest rate changes for certain adjustable-rate mortgage (ARM) plans. It is based on the results of auctions that the U.S. Treasury holds for its Treasury bills and securities or is derived from the U.S. Treasury's daily yield curve, which is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. See adjustable-rate mortgage (ARM).

Truth-in-Lending
A federal law that requires lenders to fully disclose, in writing, the terms and conditions of a mortgage, including the annual percentage rate (APR) and other charges.

two-step mortgage
An adjustable-rate mortgage (ARM) that has one interest rate for the first five or seven years of its mortgage term and a different interest rate for the remainder of the amortization term.

two- to four-family property
A property that consists of a structure that provides living space (dwelling units) for two to four families, although ownership of the structure is evidenced by a single deed.

trustee
A fiduciary who holds or controls property for the benefit of another.

U

underwriting
The process of evaluating a loan application to determine the risk involved for the lender. Underwriting involves an analysis of the borrower's creditworthiness and the quality of the property itself.

unsecured loan
A loan that is not backed by collateral.

V

VA mortgage
A mortgage that is guaranteed by the Department of Veterans Affairs (VA). Also known as a government mortgage.

vested
Having the right to use a portion of a fund such as an individual retirement fund. For example, individuals who are 100 percent vested can withdraw all of the funds that are set aside for them in a retirement fund. However, taxes may be due on any funds that are actually withdrawn.

Department of Veterans Affairs (VA)
An agency of the federal government that guarantees residential mortgages made to eligible veterans of the military services. The guarantee protects the lender against loss and thus encourages lenders to make mortgages to veterans.

W

what-if analysis
An affordability analysis that is based on a what-if scenario. A what-if analysis is useful if you do not have complete data or if you want to explore the effect of various changes to your income, liabilities, or available funds or to the qualifying ratios or down payment expenses that are used in the analysis.

what-if scenario
A change in the amounts that is used as the basis of an affordability analysis. A what-if scenario can include changes to monthly income, debts, or down payment funds or to the qualifying ratios or down payment expenses that are used in the analysis. You can use a what-if scenario to explore different ways to improve your ability to afford a house.

wraparound mortgage
A mortgage that includes the remaining balance on an existing first mortgage plus an additional amount requested by the mortgagor. Full payments on both mortgages are made to the wraparound mortgagee, who then forwards the payments on the first mortgage to the first mortgagee.

X

No Glossary Terms

Y

No Glossary Terms

Z

No Glossary Terms